

IN THE TENNESSEE REGULATORY AUTHORITY
NASHVILLE, TENNESSEE

IN RE:

UNITED CITIES GAS COMPANY, a
Division of ATMOS ENERGY
CORPORATION INCENTIVE PLAN
ACCOUNT (IPA) AUDIT

DOCKET NO. 01-00704
JUL 23 PM 3:30

OFFICE OF THE
EXECUTIVE SECRETARY

**FIRST DATA REQUEST FROM UNITED CITIES GAS COMPANY TO
THE OFFICE OF THE ATTORNEY GENERAL
CONSUMER ADVOCATE AND PROTECTION DIVISION**

This First Data Request is propounded by United Cities Gas Company to the Office of the Attorney General Consumer Advocate and Protection Division ("CAD"). Please provide your response on or before 4:00 p.m. on Thursday, July 25, 2002.

1. With respect to Pages 3 and 4 of the Memorandum in Support of Motion for Partial Summary Judgment ("Memorandum"), identify any legal and/or factual basis for your contention that there is no factual dispute as to the material facts numbered 1, 2 and 3.

2. Identify the factual basis of and any and all documents which refer and/or relate to the statement on Page 13 of the Memorandum that "UCG considered transportation delivery costs and they considered them to be incidental to commodity costs."

3. Identify the factual basis of and any and all documents which refer and/or relate to the statement made on Page 13 of the Memorandum that the indices already included the effect of transportation prices.

4. With respect to Page 14 of the Memorandum, identify the factual basis of and any and all documents which refer and/or relate to the statement that "At the time the PBR was filed

with the TRA, UCG had no intention of including negotiated transportation discount contracts and did not incorporate them into the PBR."

5. Identify the factual basis of and any and all documents which support the statement on Page 7 of the Memorandum that "UCG decided that they would not deal with the transportation costs separately in the IPA."

6. Identify the factual basis of and any and all documents which refer and/or relate to the statement on Page 13 of the Memorandum that "The formulas do not provide for any additional transportation calculations to be included."

7. Identify the factual basis of and any and all documents which refer and/or relate to the statement on Page 14 of the Memorandum that "At the time the PBR was filed with the TRA, UCG had no intention of including negotiated transportation discount contracts and did not incorporate them into the PBR."

8. Identify the legal authority which supports the statement on Page 16 of the Memorandum that "As a matter of law, the TRA is not required to object to quarterly reports."

9. Identify the legal authority which supports the statement on Page 16 of the Memorandum that "Moreover, the TRA is not under an obligation to provide written notification to a public utility concerning objections or raise issues concerning quarterly report filings by utility companies."

10. With respect to the statements made in the second paragraph on Page 17 of the Memorandum, identify the legal authority which supports your position that the TRA rules concerning the audit of gas purchases were waived by the TRA in the Final Order and therefore are not applicable to the this proceeding.

11. Identify the factual basis of and any and all documents which refer and/or relate to the statement on Page 18 of the Memorandum that "Moreover, UCG never obtained oral or written advice from the TRA staff regarding approval of their quarterly reports."
12. Identify the factual basis of and any and all documents which refer and/or relate to the statement on Page 19 of the Memorandum that "Essentially, UCG reformulated their PBR and hoped that the TRA would not discover the inconsistencies among their annual report, tariff and the Final Order."
13. Identify the factual basis of and any and all documents which refer and/or relate to the statement on Page 19 of the Memorandum that, "UCG did not rely on any assertion of the TRA or detrimentally rely under the meaning of the common law."
14. With respect to the Affidavit of Dr. Stephen N. Brown ("Dr. Brown"), identify the factual basis of and any and all documents which refer and/or relate to the documents which support the statement in Paragraph 7 that "Different pipelines have widely different maximum prices and each pipeline widely varies its maximum price according to the receipt and delivery points."
15. Describe in detail how Dr. Brown defines the words "receipt" and "delivery points."
16. Identify all documents and research that Dr. Brown referenced in Paragraph 7 from which he draws his conclusion that he found maximum prices that range from 5 cents to nearly \$10.00, a huge difference.
17. Produce all documents which reflect any analysis done by Dr. Brown or relied on by Dr. Brown in support of or in conjunction with the statements made in his affidavit.

18. Identify all individuals with whom Dr. Brown consulted concerning the statements made in his affidavit and/or his research.

19. With respect to CADs' proposed witness Dan McCormac, state the subject matter on which he is expected to testify, the substance of the facts and opinions to which he is expected to testify, and a summary of the grounds for each opinion.

20. Identify each person whom you expect to call as an expert witness at the hearing of this matter, and with respect to each person identified, state:

- (a) the subject matter on which the expert is expected to testify;
- (b) the substance of the facts and opinions to which the expert is expected to testify; and
- (c) a summary of the grounds for each opinion.

21. Identify and produce any and all documents which reflect communications by and/or between the members of the TRA staff, including its legal counsel and the staff of the Attorney General, Consumer Advocate Division, which refer and/or relate to the matters at issue in Docket No. 01-00704.

Respectfully submitted,

BAKER, DONELSON, BEARMAN
& CALDWELL, P.C.

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CERTIFICATE OF SERVICE

on July 23, 2002

I hereby certify that a true and correct copy of the foregoing has been served via U.S. Mail, postage prepaid, to the following:

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